

Washington State Auditor's Office
Accountability Audit Report

City of Arlington
Snohomish County

Audit Period
January 1, 2003 through December 31, 2003

Report No. 67492

Issue Date
October 29, 2004



Washington
State Auditor
Brian Sonntag

Audit Summary

**City of Arlington
Snohomish County
January 1, 2003 through December 31, 2003**

ABOUT THE AUDIT

This report contains the results of our independent accountability audit of the City of Arlington for the period January 1, 2003, through December 31, 2003.

We performed audit procedures to determine whether the City complied with state laws and regulations and its own policies and procedures. Our work focused on specific areas that have potential for abuse and misuse of public resources.

RESULTS

In the areas examined, the City complied with state laws and regulations and its own policies.

RELATED REPORTS

Our opinion on the City's financial statements is provided in a separate report, which includes the City's financial statements.

CLOSING REMARKS

We appreciate the City's prompt attention to resolving prior audit issues and its commitment to ensuring compliance with conditions reported this audit. We thank City officials and personnel for their assistance and cooperation during the audit.

Table of Contents

City of Arlington
Snohomish County
January 1, 2003 through December 31, 2003

Description of the City 1

Audit Areas Examined..... 3

Description of the City

City of Arlington Snohomish County January 1, 2003 through December 31, 2003

ABOUT THE CITY

The City of Arlington has a population of approximately 14,000 residents. A council/mayor form of government administers the City with seven elected Council Members and an elected Mayor. All serve on a part-time basis. The City provides an array of services including police, fire, water distribution, sewage collection and treatment, street maintenance, parks maintenance, planning, a municipal cemetery and a municipal airport.

The City's operating budget for year ended 2003 was \$19,527,652. The City has more than 130 employees.

AUDIT HISTORY

We audit the City annually. During the last six audits, we have reported no audit findings. Our audit recommendations have been positively acknowledged by the City.

ELECTED OFFICIALS

These officials served during the audit period:

Mayor	Robert Kraski
Council Members:	Dan Anderson
	Steve Baker
	Karl Fitterer
	Marilyn Giebel
	Ryan Larson
	Sally Lein
	Oliver Smith

APPOINTED OFFICIALS

City Administrator	Kristin Banfield
Finance Director	Kathy Peterson
Police Chief	John Grey
Fire Chief	Mike Ganz
Development Service Director	Iain Draper
Airport Manager	Rob Putnam
City Attorney	Steve Peiffle
Utility Superintendent	Terry Castle

ADDRESS

City

238 North Olympic Avenue
Arlington, WA 98223

Audit Areas Examined

City of Arlington Snohomish County January 1, 2003 through December 31, 2003

In keeping with general auditing practices, we do not examine every portion of the City of Arlington's financial activities during each audit. The areas examined were those representing the highest risk of noncompliance, misappropriation or misuse. Other areas are audited on a rotating basis over the course of several years. The following areas of the City were examined during this audit period:

ACCOUNTABILITY FOR PUBLIC RESOURCES

We evaluated the City's accountability in the following areas:

- Cash receipting
- Petty cash, change and revolving accounts
- Police Department
- Property and equipment
- Fixed assets
- Payroll
- Purchase of goods and services

LEGAL COMPLIANCE

We audited the following areas for compliance with certain applicable state and local laws and regulations:

- Conflict of interest
- Bond covenants
- Limitation of indebtedness
- General insurance coverage
- Budgeting requirements
- Ethics/conflict of interest laws
- Open Public Meetings Act
- Allowable expenditures
- Credit card usage
- Travel expenses
- State grants
- Competitive bidding requirements
- Competitive bid law compliance
- Public works contracts
- Property room requirements
- Seized and forfeited property

FINANCIAL AREAS

Our opinion on the City's financial statements is provided in a separate report. That report includes the City's financial statements and other required financial information. We examined the financial activity and balances of the City including:

- Cash and investments
- Revenues
- Expenditures
- Internal activities
- Long-term debt
- Overall presentation of the financial statements